



LP021(REV. 01-04)

**Motor Vehicle Division
PO Box 13044
Austin, TX 78711-3044
TOLL-FREE (877)366-8887**

INDEPENDENT DEALER GENERAL DISTINGUISHING NUMBER INFORMATION

PLEASE READ ALL OF THIS INFORMATION CAREFULLY BEFORE COMPLETING AND MAILING YOUR APPLICATION. INCOMPLETE OR INACCURATE INFORMATION WILL DELAY YOUR LICENSE.

A. TYPES OF GENERAL DISTINGUISHING NUMBERS (GDN):

- 1. INDEPENDENT MOTOR VEHICLE** – May buy, sell, or exchange any type of used cars and trucks. May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on motor vehicles only. Must provide a bond or other security.
- 2. INDEPENDENT MOTORCYCLE** – May buy, sell, or exchange any type of used motorcycles. May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on motorcycles only. Must provide a bond or other security.
- 3. TRAVEL TRAILER** – May buy, sell, or exchange used travel trailers. May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on travel trailers only. Exempt from the security requirement.
- 4. TRAILER/SEMITRAILER** - May buy, sell, or exchange new or used trailers and/or semitrailers. May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on trailers/semitrailers only. Exempt from the security requirement.
- 5. WHOLESALE** – May sell or exchange vehicles with OTHER LICENSED DEALERS ONLY.
 - a) Are NOT required to have a five-vehicle display area.
 - b) May NOT sell vehicles to retail purchasers.
 - c) Wholesale vehicle dealers may buy, sell, or exchange used vehicles, including motor vehicles, motorcycles, and travel trailers. May buy, sell, or exchange new or used trailers and/or semitrailers. May use temporary tags and metal dealer license plates. Must provide a bond or other security.
- 6. WHOLESALE MOTOR VEHICLE AUCTION** – May offer vehicles for sale by bid only to licensed dealers at a bona fide auction at a permanent location. May use dealer's temporary tags, buyer's temporary tags, and metal dealer license plates on motor vehicles only. Must provide a bond or other security.
 - a) May not make facilities or GDN available to any other person for the purpose of the sale or auction of vehicles.
 - b) May be issued only one wholesale motor vehicle auction GDN for a particular location.
 - c) May be issued a regular motor vehicle GDN for a location that has been issued a wholesale motor vehicle auction GDN.
- 7. NEW VEHICLE SALES – ONLY FRANCHISED DEALERS MAY SELL NEW MOTOR VEHICLES (INCLUDING TRAVEL TRAILERS).** Franchised dealers operate under agreements with manufacturers or distributors to sell new vehicles. If you wish to become a franchised dealer, **DO NOT COMPLETE THIS APPLICATION.** Contact MVD at (512) 416-4800 or toll free at 1-877-366-8887 and request a franchised dealer application packet.

NO MORE THAN FOUR RETAIL OR EIGHT WHOLESALE DEALERS MAY OCCUPY THE SAME BUILDING OR USPS-ASSIGNED ADDRESS. RETAIL AND WHOLESALE DEALERS MAY NOT OCCUPY THE SAME STRUCTURE.

DEALERSHIPS (EXCEPT TRAILER DEALERS) MAY BE OPEN SATURDAY OR SUNDAY, BUT NOT BOTH.

DEALERS MAY NOT USE THE WORDS "LEASE" OR "LEASING" IN THEIR BUSINESS NAME UNLESS THEY QUALIFY FOR AND OBTAIN, OR ARE EXEMPT FROM HAVING TO OBTAIN, EITHER A LESSOR OR LEASE FACILITATOR LICENSE.

IMPORTANT NOTICE TO APPLICANTS

MAKE SURE THAT ALL REQUIREMENTS FOR A LICENSE ARE MET BEFORE YOU SUBMIT THE APPLICATION.

DO NOT SEND THE APPLICATION TO MVD IF YOU DO NOT HAVE ALL OF THE REQUIRED INFORMATION AND ATTACHMENTS.

MANY APPLICANTS SUBMIT THEIR APPLICATION KNOWING THAT IT DOESN'T COMPLY WITH MVD REQUIREMENTS, HOPING THAT MVD WILL MAKE EXCEPTIONS. "I'M HAVING TROUBLE GETTING A DOCUMENT" OR "MY LANDLORD WON'T LET ME DO THAT" ARE NOT GROUNDS FOR EXEMPTION FROM THE LAW. THIS WILL ONLY DELAY PROCESSING OF THE APPLICATION UNTIL THE DEALER IS IN COMPLIANCE.

APPLICANTS SHOULD CONSIDER ADDING A CLAUSE TO THEIR PROPERTY LEASE ALLOWING THEIR LEASE TO BE CANCELLED IF A GDN IS NOT GRANTED.

THE FOLLOWING PAGES TAKE YOU STEP-BY-STEP THROUGH THE APPLICATION. PLEASE READ CAREFULLY BEFORE COMPLETING THE APPLICATION AND ATTACHMENTS. ERRORS OR MISSING DOCUMENTS MAY RESULT IN YOUR APPLICATION BEING RETURNED TO YOU FOR CORRECTION AND WILL DELAY PROCESSING.

UNLESS OTHERWISE SPECIFIED, YOU MAY SUBMIT COPIES INSTEAD OF ORIGINALS.

SURETY BONDS, LETTERS OF CREDIT, AND ASSIGNMENTS OF SECURITY MUST BE ORIGINALS.

MAKE SURE THAT EACH DOCUMENT, PHOTOGRAPH, ETC. HAS YOUR BUSINESS NAME AND DBA ON IT.

1. BUSINESS NAME: Enter ONE of the following:

- a) Your legal name, if applying as a sole proprietor (must match what is shown on the drivers license).
- b) The partnership name or names of all partners, if applying as a partnership.
- c) The name of the corporation, LLC, LP, LLP if applying as any other type of entity.

2. ASSUMED NAME: Enter any assumed name(s) you will be using. An assumed name is often called a "DBA", which stands for "Doing Business As".

- a) The assumed name(s) must be registered with the proper authority.
- b) In Texas, the proper authority for corporations, LPs, LLPs and LLCs is the Secretary of State.
- c) Sole proprietors and general partnerships may register with their County Clerk.
- d) The assumed name you list on this application must exactly match the assumed name as it is registered.

3. PHYSICAL ADDRESS: Enter the street number and name, city, zip code, and county. Check the appropriate box to tell us whether you lease, sublease, or own the property at this physical address.

- a) This is your licensed location. You may not conduct business from any other location(s) unless you are licensed for those locations also.
- b) No more than four retail or eight wholesale dealers may occupy the same business structure or US Postal Service-assigned address.
- c) Wholesale and retail dealers must not share a business structure.
- d) If the dealer's office is in a residential structure, the office must be completely separated from and have no access into the residential quarters and must also meet all local zoning ordinances and deed restrictions.
- e) Additional location(s) in the same city – In addition to the information required for the main location, you must attach photos showing business name signage, office, business hours and overall photo from across the street to include building and display area. Attach proof of occupancy (lease, deed, tax receipt). Include a new assumed name certificate if different from the assumed name for your main location. The bond or other security must include the main physical address and the physical addresses for all supplemental locations in the same city limits, as well as the assumed names for all locations, if different.

4. MAILING ADDRESS: Enter your mailing address if it is different from your physical address. This is the address we will use to mail correspondence, licenses, dealer plates, etc.

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5. TELEPHONE/FAX NUMBER/E-MAIL ADDRESS: Enter the telephone number you will use for your dealership.

- a) A working LAND LINE (not cellular) telephone must be listed in the name under which the dealer does business.
- b) A dealer who conducts business in conjunction with another business (both owned by the dealer) may use the same telephone number and listing for both businesses. If the name of the dealership differs from that of the other business, a separate telephone listing is required.
- c) A dealer who conducts business in conjunction with another business not owned by the dealer must have a separate telephone number and listing.
- d) Multiple dealers who occupy the same business location shall each have a separate telephone number and listing.
- e) E-mail address if you would like to use this as a form of delivery. Email addresses are considered confidential. (Unless authorization to release is provided to the Motor Vehicle Division.)
- f) A fax number if applicable.

6. TAX ID #/EIN: Enter the IRS-assigned Taxpayer Identification Number (TIN) or Employer Identification Number (EIN).

7. CATEGORY OF GDN: Check only one. If you are applying for a GDN in more than one category, you must submit a separate application, with all attachments and fees, for each GDN.

8. COMPLETE THE REST OF THE APPLICATION. All items should be completed or marked "NA" (not applicable). If marked "NA", describe why this requirement is not applicable.

9. ATTACH ALL REQUIRED DOCUMENTATION. Detailed requirements are contained in this packet and on the application form.

10. ATTACH A CHECK OR MONEY ORDER FOR TOTAL FEES OR COMPLETE THE ENCLOSED CREDIT CARD FORM.

- a) The fee for any new GDN is \$500.00. This fee is not prorated.
- b) The fee for each metal dealer license plate is \$45.30 (\$20.30 plate fee and \$25.00 use tax).
- c) Metal dealer plates may be applied for with the new application, with a renewal, or any time during the year the GDN is valid, but always expire the same date as the GDN.
- d) If paying with a credit card, a \$1.00 fee will be added to each transaction.

11. MAIL THIS FORM WITH ALL FEES AND ATTACHMENTS TO THE APPROPRIATE ADDRESS LISTED ON THE APPLICATION FORM.

- a) If paying by check or money order, do not bring your application to MVD. Applications with checks or money orders must first go to PO Box 13044 for processing of the fees.
- b) If you wish to overnight your application, be aware that only the US Postal Service delivers overnight mail to post office boxes.
- c) Make sure you mail your application to the correct address for the type of payment you are making. Failure to do so will result in processing delays.

12 – 16. ANSWER THE "YES/NO" QUESTIONS. Any "Yes" answer must be fully explained on a separate sheet.

17. PHYSICAL FACILITIES: Enter the size of the building in square feet, the number and total square footage of office space, and the dimensions of your display lot.

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18. FINANCIAL STATEMENT:

- a) List all assets and liabilities.
- b) Sole proprietors may list personal assets and liabilities; all others must list those of the business.
- c) You may attach a copy of your financial statement if preferred.
- d) Required even of new companies. (Pro forma)

ATTACHMENTS TO THE APPLICATION:

A. OWNERSHIP AND MANAGEMENT INFORMATION / POWER OF ATTORNEY DESIGNATING AGENT FOR SERVICE – Use included Form 1806.

- 1) Answer the question pertaining to felony convictions (and charges) truthfully.
 - (a) Prior convictions may not prevent you from obtaining a license. Answering this question falsely may result in denial of your license and civil penalties.
 - (b) MVD may investigate applicants answering “Yes” to this question. This investigation may add three to four weeks to your processing time.
 - (c) You must attach copies of all final court judgments for any convictions.
- 2) Complete the front and back of the form for the following:
 - (a) OWNERS: list all parties with any ownership interest in the dealership (this includes sole proprietors).
 - (1) If any ownership interest is held by a business entity (corporation, LLC, LP, etc.), submit the information listed on the form for each business entity until only individuals are listed as owners. In this instance, you should complete a separate form for each business entity.
 - (2) If any business entity with ownership interest is publicly held, indicate that on the form. Owners of publicly held businesses (shareholders) need not be listed, but the officers, directors, etc. must be.
 - (b) PARTNERSHIPS: list all partners and designate the managing partner.
 - (c) CORPORATIONS: list all corporate officers and directors.
 - (d) LIMITED LIABILITY COMPANIES: list all LLC managers and members.
 - (e) LIMITED PARTNERSHIPS: list the general partner(s) & the limited partner(s).
- 3) SPECIFIC INFORMATION:
 - (a) Name of Person or Business: Enter the first name, middle initial, and last name for individuals; list the business name or assumed name of any business entities.
 - (b) Title: Enter the title. Examples could be: President; CEO; Owner; Partner; General Partner; Member; etc.
 - (c) % of Ownership: For all individuals and businesses listed, enter the percentage of ownership. If the percentage is zero, enter zero. OWNERSHIP PERCENTAGES MUST TOTAL 100%.
 - (d) Date of Birth: for individuals only.
 - (e) Driver's License # and State: enter the driver's license number and issuing state. If the individual does not have a driver's license, enter “NONE”. If the driver's license was issued in a foreign country, provide that information.
 - (f) SSN / TIN / EIN: enter the Social Security Number, Taxpayer Identification Number, or Employer Identification Number, as applicable. If any individual does not have an SSN, attach a separate sheet with other identifying data for the individual.
 - (g) Residence Address: enter the home address for individuals or the business address if this is a business.
 - (h) Home Phone: enter the home phone number for individuals or the business phone number if this is a business.
 - (i) If this is a business, is it PUBLICLY TRADED? If the answer is yes, owners do not need to be listed, but officers, directors, partners, managers, or members (depending on the type of business entity) must be.

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B. PROOF OF IDENTITY: Attach photocopies of driver's licenses for the owner(s) of the dealership OR the president of the dealership OR the managing partner of the dealership.

C. ASSUMED NAME CERTIFICATE: Provide documentation that you have registered your assumed name with the proper authority.

- 1) Corporations/LPs/LLPs/LLCs: proper authority for registration of assumed names is the Secretary of State. **YOU ARE ALSO REQUIRED TO REGISTER THE ASSUMED NAME WITH THE COUNTY CLERK.**
- 2) Sole proprietors and general partnerships, proper authority is the County Clerk.

D. SURETY BOND, IRREVOCABLE LETTER OF CREDIT, OR ASSIGNMENT OF SECURITY:

- 1) A motor vehicle dealer, wholesale motor vehicle dealer, wholesale motor vehicle auction, or motorcycle dealer who is not licensed as a franchised dealer by MVD must submit one of the following:
 - a. An original \$25,000 bond, or
 - b. An original irrevocable letter of credit, or
 - c. An original assignment of security.
- 2) Whichever form of security you choose should be valid for one year and must be on forms exactly matching the approved samples in this package.
- 3) The term of your security must begin on the first day and end on the LAST day of the month.
- 4) The name in which the GDN is to be issued must be shown on the document. See the application form for examples of how the name should read. If an assumed name (DBA) is used, it must appear on the bond.
- 5) All information on the document must exactly match the information on the application. This includes owners' names, assumed names, street numbers and names, suite numbers, and Zip codes.
- 6) Misspellings and typographic errors will invalidate the document.
- 7) If there are any errors on the document, contact your financial institution, bonding company, or bonding agent to get a rider to correct the errors. Making changes on the document itself will invalidate it.
- 8) **A bond must be signed by the dealer or the dealer's authorized representative. It must also be signed by the bonding company or the bonding agent. Make sure all required signatures are on the bond. This is the #1 deficiency on new applications.**
- 9) An **ORIGINAL** bond executed by an agent representing a surety company must be supported by an **ORIGINAL** power of attorney from the surety company.
- 10) An irrevocable letter of credit or assignment of security must be executed by an officer of a financial institution on the institution's letterhead and the institution **MUST BE LOCATED IN TEXAS AND INSURED BY AN AGENCY OF THE U.S. GOVERNMENT.**
- 11) If you are also applying for supplemental location(s) within the same city limits of your main location, all physical addresses must be listed on the security document. If the locations have different assume names, all assumed names must be listed on the security document.

NOTICE: You must provide a new irrevocable letter of credit or assignment of security each year (unless the submitted security is for multiple years).

E. CERTIFICATE OF INCORPORATION, ORGANIZATION, OR PARTNERSHIP: Attach these if applicable.

F. SUMMARIES OF BUSINESS BACKGROUND AND EXPERIENCE: Cover the last eight years for each of the principal owners, the principal operator, and the general manager.

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G. PHOTOGRAPHS: The photographs you provide must allow us to verify that your establishment meets the requirements for an established and permanent place of business.

- 1) Overall appearance of the building and lot from across the street:
 - a. Stand far enough away to include the entire lot and building in the photo. If necessary, take several photos.
 - b. Portable buildings may be acceptable as office structures. If mounted on wheels, the wheels must not be visible.
 - c. Your display space must be located at your physical address or directly adjoining your location. You must have sufficient space to display at least 5 vehicles of the type for which the GDN is issued, unless you will be a wholesale dealer only.
 - d. Your display space cannot be located on a public easement, in a right-of-way, in a driveway, or in an area open to public parking.
 - e. If your display space is located in an area where other vehicle parking is permitted, your space must be separated from the others by barriers under your control. Anything which physically restricts access to the display space shall be considered a barrier (stanchions with ropes, barricades, fences, etc.).
 - f. If several dealers are sharing a lot, each dealer must group his vehicles together, marking the area or the vehicles to identify the selling dealer.
 - g. Subject to MVD approval, the display area may be located within a building.
- 2) Office areas where sales are finalized:
 - a. You must show a desk, two chairs, and a working, land-based (not cellular) telephone.
 - b. If your office is in a residential structure, the pictures should make it clear that there is no access to the residential quarters from the office. A locked door that can be unlocked or moving a filing cabinet or other large object in front of a door into the residential quarters **IS NOT ACCEPTABLE**.
- 3) Signage:
 - a. The sign must be visible and readable from the street that your address is on (that is, if your address is 1234 Baker Street, the sign must be visible to someone on Baker Street)
 - b. The sign must also be permanently mounted, not hung on wires or propped up. **NO** banners.
 - c. The sign must have letters at least 6 inches high. The only exception to this requirement is when local zoning laws do not allow it. (Supporting documentation must be provided.)
 - d. If you use an assumed name (DBA), it must appear on the sign exactly as it appears on the assumed name certificate.
 - e. If your landlord will not allow you to have a sign that meets these requirements, you will not be approved for a GDN.
- 4) Business hours:
 - a. Retail dealers must be open at least four days per week, four consecutive hours per day; those four hours must be between 8:00 A.M. and 8:00 P.M.
 - b. Retail dealers (except trailer dealers) may be open Saturday or Sunday, but not both. Trailer sales may take place seven days per week.
 - b. Wholesale dealers must be open at least 2 consecutive hours between the hours of 8 am and 5 pm, on any one day of the week except Saturday and Sunday.
 - c. If space is shared, a separate photo with the hours and name of the dealership must be shown.

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H. CURRENT LEASE OR OWNERSHIP DOCUMENTS FOR THE PROPERTY: The building and lot must be owned by the dealer or leased by the dealer for a continuous term of at least one year, matching the term of the license. Attach one of the following:

- 1) Lease: We do not need the entire lease. You should attach only those pages of a current lease that show:
 - a. The physical address.
 - b. The dealer or dealership as tenant or lessee.
 - c. The term of the lease (at least one year, **not month-to-month**). The term of the lease should end on the last day of the month.
 - d. The signatures of the tenant (lessee) and landlord (lessor).
 - e. If you own the property and lease the property to your business, provide proof of property ownership, as well as the lease.
 - f. If you are subleasing, provide the property owner's consent to the sublease. This may be a part of the lease, or you may need to get a separate document from the property owner.
- 2) A current property tax receipt showing the physical address and dealer's or business name.
- 3) A copy of the property deed in the dealer's or business name, properly identifying the physical address of the property. The deed must be registered with the county.

If your documentation describes your property by lot/block number, attach a statement signed by the dealer stating that the property description on the document is the same as the address of the dealership.

I) MAP: Attach a hand-drawn, photocopied, or computer-generated map pinpointing the dealership location, identifying the nearest major intersection. Include supplemental locations, if any.

J) SUPPLEMENTAL LOCATIONS – For additional locations within the same city limits you must include:

- 1) Photos – see section G;
- 2) Proof of occupancy – see section H;
- 3) Map – see section I;
- 4) Assumed name certificate, if applicable – see section C
- 5) The physical address of all supplemental locations must be listed on the bond or other security.

WHEN YOU HAVE COMPLETED THE APPLICATION FORM AND HAVE GATHERED ALL ATTACHMENTS, SUBMIT BY MAIL TO:

IF PAYING BY CHECK/MONEY ORDER:

**MOTOR VEHICLE DIVISION
PO BOX 13044
AUSTIN TX 78711-3044**

IF PAYING BY CREDIT CARD:

(\$1.00 fee charged)

**MOTOR VEHICLE DIVISION
PO BOX 2293
AUSTIN, TX 78768-2293**

APPLICATIONS MAY BE HAND DELIVERED, BUT THAT WILL NOT SPEED UP THE PROCESS AND MAY RESULT IN DELAYS IF PAYING BY CHECK OR MONEY ORDER.

GENERAL INFORMATION:

APPLICATION PROCESSING:

- a) Applications are processed in the order received.
- b) If there are no deficiencies, the license is approved and your license is printed and mailed along with your dealer plates (if any).
- c) If there are deficiencies, the entire application may be returned to you with a list of items to be corrected. Please correct any deficiencies and return the application with all attachments.
- d) To be safe, allow at least one month for processing of your application. Incomplete or inaccurate applications can greatly increase this estimate.
- e) Make a copy of the application and all attachments that are submitted for your records.

CHANGES TO YOUR LICENSE:

- a) You must submit an Application to Amend Independent Motor Vehicle Dealer's License for:
 - 1) Opening, closing, or moving a dealership to a new location within the same city limits. You must submit the form within 10 days of the opening, closing or relocation.
 - 2) Adding a supplemental location (A new location within the same city limits as an existing GDN. Attachments are required for each location.)
 - 3) Changing from wholesale to retail, or vice versa.
 - 4) Changing the dealership name.
 - 5) **RELOCATING OUTSIDE THE CITY LIMITS OF YOUR ORIGINAL LOCATION REQUIRES A NEW APPLICATION, FEES, AND ATTACHMENTS.**
 - 6) Changes in business structure (sole proprietor to corporation, etc.) and changes in ownership may require either a new application or an amendment, depending on the circumstances. **Call MVD first to make sure you submit the proper form.**

LICENSE RENEWAL:

- a) Your license is valid for a maximum of one year.
- b) Renewal fees are \$200 for the GDN and \$45.30 for each metal dealer plate.
- c) MVD will mail you a renewal notice 75 to 90 days prior to license expiration. You should return your renewal notice, required attachments, and the proper fee(s) at least 45 days prior to expiration to ensure that you receive your renewal license and renewal plate stickers before the expiration of the prior term.
- d) You are responsible for maintaining your license. If you do not receive your renewal notice, contact MVD to obtain one.
- e) **THERE IS NO GRACE PERIOD!** Once your license expires, you may not sell vehicles, transfer titles, etc. Your dealer plates are also expired.
- f) Penalty fees are assessed if your renewal form is received at MVD more than 30 days after expiration. These penalty fees are 50% of the license fee for each 30 days of default.
- g) Failure to file a renewal or correct all renewal deficiencies within 90 days after license expiration will require you to file a new application. There will be a gap in your license term if you have to reapply.

METAL DEALER PLATES:

- a) Metal dealer plates are valid during the license term and expire at the same time as the GDN.
- b) The fee is \$45.30 for each metal dealer plate.
- c) You may order plates with a new application or with your renewal. You may also order new plates at any time during the license period by submitting an Affidavit and Application for License Plates, available from MVD.
- d) Regardless of when you order dealer plates, they **ALWAYS** expire on the same day as the GDN.
- e) **THERE IS NO GRACE PERIOD** when dealer plates expire.

TEMPORARY CARDBOARD TAGS:

- a) Dealers may issue four types of temporary cardboard tags:
 - 1) Dealer's temporary (black) tag.
 - 2) Buyer's initial (red) tag.
 - 3) Buyer's supplemental (blue) tag.
 - 4) Dealer's charitable organization (green) tag.
- b) Only printers licensed by MVD may produce temporary cardboard tags. MVD can provide a list of licensed printers.
- c) Rules for the use of temporary tags may be found in 16 TAC Chapter 111.

DUPLICATE LICENSES:

To request a reprint or a duplicate license please submit a written request. You may fax this request to 512-416-4893 or mail to Motor Vehicle Division, P.O. Box 2293, Austin, TX 78768-2293. **The fee for this request is \$50.00.**

CHAPTER 111 OF THE TEXAS MOTOR VEHICLE BOARD RULES AND CHAPTER 503 OF THE TEXAS TRANSPORTATION CODE CONTAIN MORE DETAILS. PLEASE READ THESE CHAPTERS BEFORE YOU APPLY!!!

NOTE: GENERAL DISTINGUISHING NUMBERS ARE NON-TRANSFERABLE.

REMEMBER!!!

THE DEALER MUST SIGN AND DATE THE BOND!

SAMPLE

MOTOR VEHICLE DEALER'S SURETY BOND

Bond # _____

KNOW ALL BY THESE PRESENTS, THAT

Name _____

Addresses(es) _____

City, State, and Zip _____

As principal, whose place of business and any supplemental location(s) operated under the same general distinguishing number is/are located at the address(es) set forth above, and

Name _____

Addresses(es) _____

City, State, and Zip _____

as Surety, duly authorized and qualified to do business as a surety company in this State, are held and firmly bound to such persons who shall conduct business with said Principal in its capacity as a motor vehicle dealer in the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000), for the payment of which sum, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns.

WHEREAS, the above-named Principal is applying for a license as a motor vehicle dealer,

AND WHEREAS, said Principal is required by law (Tex. Transp. Code §503.033) to submit a properly executed surety bond, conditioned as set forth below, with said application for license,

AND WHEREAS, the bond shall run concurrently with the period of the license issued to the Principal.

THE CONDITION OF THIS OBLIGATION is such that, if during the effective period of this obligation, the Principal shall pay all valid bank drafts, including checks, drawn by the Principal for the purchase of motor vehicles and transfer good title to each motor vehicle that the Principal purports to sell, then this obligation shall be void; otherwise to remain in full force and effect.

IT IS FURTHER UNDERSTOOD AND AGREED that the above obligation shall extend, without notification to the Surety, to any change of officers of the Principal if the Principal is a corporation, to any additional locations or changes of address of the Principal or to any substitution of business name of the Principal wherein ownership is not changed.

IT IS FURTHER UNDERSTOOD AND AGREED that this bond shall be opened to successive claims up to the face value of the bond. The Surety shall not be liable for successive claims in excess of the bond amount, regardless of the number of claims made against the bond. Recovery against the bond may be made by a person who obtains a judgment against a dealer assessing damages and attorney's fees for an act or omission on which the bond is conditioned if the act or omission occurred during the term for which the general distinguishing number will be valid. Payment of any judgment by the Surety shall be immediately reported to the Texas Department of Transportation, Motor Vehicle Division, P.O. Box 2293, Austin, Texas 78768.

IN WITNESS WHEREOF said Principal and Surety have executed this bond to be effective on the _____ day of _____, _____ and to expire on the _____ day of _____, _____.

DATED this _____ day of _____

(PRINCIPAL)

By: _____
(OFFICER'S OR PROPRIETOR'S SIGNATURE)

DATED this _____ day of _____

(SURETY)

By: _____

In accordance with Tex. Transp. Code §503.033, this form is prescribed but not furnished by the Texas Department of Transportation as approved by the Attorney General of Texas on July 16, 1985.

SAMPLE

SAMPLE

THIS SPACE PROVIDED FOR FINANCIAL INSTITUTION LETTERHEAD

Motor Vehicle Dealer's Irrevocable Letter of Credit No. _____

To: Texas Department of Transportation
Motor Vehicle Division
P.O. Box 2293
Austin, TX 78768

I/We hereby issue our Irrevocable Letter of Credit in your favor for the account of _____,
DBA _____ up to an aggregate amount of Twenty-Five-Thousand Dollars
(\$25,000).

This amount is available by your Payment Demand Notice drawn under Letter of Credit #
_____ of _____.

The Payment Demand Notice must be accompanied by a copy of the judgment on which it is based and a copy
of this Letter of Credit.

This Letter of Credit is issued in lieu of other security or a surety bond for use by any person who obtains a court
judgment against the motor vehicle dealership on whose behalf this Letter of Credit is issued, pursuant to Tex.
Transp. Code §503.033, resulting from a cause of action connected with the dealership's obligation to pay all
valid bank drafts, including checks, drawn by the dealership for the purchase of motor vehicles and/or to transfer
good title to each motor vehicle that the dealership purports to sell.

We hereby engage with you that a Payment Demand Notice issued in compliance with the terms of this Letter of
Credit will be duly honored on presentation at our office. Any rights and remedies available to a surety company
which executes a surety bond will be available to the undersigned financial institution.

This Letter of Credit shall be effective as of the _____ day of _____, 20__, and shall be
subject to claims based on judgments assessing damages and attorney's fees for acts or omissions occurring
during the period beginning on said effective date and ending the _____ day of _____,
inclusive. Thereafter, it shall remain open to payment of such claims for four (4) years after the day last stated
above provided, however, that if the issuer receives notice from you that a lawsuit has been filed against the
dealership in which the petition alleges that the plaintiff is entitled to a judgment to which this Letter of Credit
would be subject, then this Letter of Credit shall continue to be open to payment of such judgment whenever
rendered, provided that upon notice from you that such lawsuit has been dismissed by a final and nonappealable
order, and upon such expiration of the four-year period stated above, this Letter of Credit shall no longer be
effective as to such claims.

Date: _____, 20 _____

Signature

Printed Name

Address

Financial Institution

Address

In accordance with Tex. Transp. Code §503.001, et seq., (Vernon 1996), this form is prescribed but not furnished
by the Texas Department of Transportation as approved by the Attorney General of Texas on July 16, 1985.

Form 1922/MVD-LP041 (1/04) (Replaces VTRD-150-1, which is obsolete)

SAMPLE

SAMPLE

THIS SPACE PROVIDED FOR FINANCIAL INSTITUTION LETTERHEAD

RECEIPT OF NOTICE OF ASSIGNMENT

The financial institution certifies that it has received no notice of any previous lien, encumbrance, hold, claim or obligation involving the above-identified assignment of security. The financial institution acknowledges receipt of this written assignment and agrees that the agent has the sole right to withdraw this assignment of security. The financial institution also acknowledges that this assignment of security must remain on file, and the funds involved therein must be available to the agent for four (4) years after the expiration of the period for which this security was assigned or for a longer period as stated above. The financial institution has noted in its records the agent's interest in this assignment of security and has retained a copy of this instrument. Upon written demand in accordance with the above, the financial institution agrees to release funds as directed by the agent.

Date: _____, 20 _____

_____ Signature	_____ Printed Name
_____ Address	_____ Position/Title
_____ Address	_____ Financial Institution

RECEIPT OF SECURITY AND DIRECTION TO PAY EARNINGS
(FOR DEPARTMENT USE ONLY)

Receipt is acknowledged of the above assignment. The financial institution is hereby authorized and directed to pay any earnings from the assignment of security to the assignor.

Date: _____, 20 _____

By _____
Signature Title

Texas Department of Transportation, Motor Vehicle Division

In accordance with Tex. Transp. Code §503.001, et seq., (Vernon 1996), this form is prescribed but not furnished by the Texas Department of Transportation as approved by the Attorney General of Texas on July 16, 1985.

Form 1924/MVD-LP051 Front (1/04) (Replaces VTRD-150-2, Front)

SAMPLE

SAMPLE
MOTOR VEHICLE DEALER'S
ASSIGNMENT OF SECURITY

(I) (We) ** (Insert Dealer's Name dba Dealership Name Here) **, hereinafter called assignor, whose principal place of business is ** (Insert Dealership Address Here) **, do hereby assign and set over to the Texas Department of Transportation, Motor Vehicle Division, herein referred to as the agent, all right, title and interest of whatever nature of assignor in and to the insured account of assignor in the ** (Insert Financial Institution Name Here) ** evidenced by a ** (Insert Type of Security Here) ** in the amount of Twenty-Five Thousand Dollars (\$25,000) numbered _____ which is delivered to the ** (Insert Financial Institution Name Here) ** herewith. Assignor agrees that this assignment carries with it the right to the insurance of the account by the ** (Insert FDIC, FSLIC, or name of other insurer here) ** and includes and gives the right to the agent to redeem, collect and withdraw any part or the full amount of such account at any time without notice to the assignor.

This assignment is to the agent for use by any person who obtains a court judgment against the assignor, pursuant to Tex. Transp. Code §503.001, et seq., (Vernon 1996), resulting from a cause of action connected with the assignor's obligation to pay all valid bank drafts, including checks, drafts drawn by the assignor for the purchase of motor vehicles and/or to transfer good title to each motor vehicle that the assignor purports to sell.

Any release of funds must be accompanied by:

1. A "Payment Demand Notice" issued by the agent and
2. A copy of the judgment as rendered against the dealership and
3. A "Certified Copy" (issued by the agent) of the assignment of security.

The funds to which this assignment applies shall be subject to claims based on judgments assessing damages and attorney's fees for acts or omissions occurring during the period beginning the _____ day of _____, 20____, and ending the _____ day of _____, 20____ inclusive. However, the account assigned herein or its proceeds shall remain the possession of the financial institution so as to be available for payment of such claims for at least four (4) years after the date last stated above. In addition, if said financial institution receives notice from the Department of Transportation that a lawsuit has been filed against the assignor in which the petition alleges that the plaintiff is entitled to a judgment that could be satisfied by the funds involved herein, then such funds shall remain in possession of said financial institution until that institution receives notice from said Department that such lawsuit has been resolved by a final and nonappealable order.

If an instrument assigned herein matures during the period the funds are subject to this assignment, then this assignment shall extend to the proceeds. Such proceeds shall remain on deposit with the financial institution in a demand account bearing the highest possible interest until replaced by a comparable assignment or until this assignment expires by its terms, whichever may occur first.

Should this instrument be used as a Letter of Credit, then the financial institution herein agrees and/or guarantees to have on deposit the necessary funds, readily convertible to cash, to pay on any judgments rendered against the entity (dealership) pursuant to Tex. Transp. Code Ann. §503.001, et seq., (Vernon 1996).

Assignor hereby notifies _____ of this assignment.
Financial Institution

Date _____, 20____

Assignor's Signature